

HSBC ETFs PLC

HSBC BLOOMBERG EUR SUSTAINABLE CORPORATE BOND UCITS ETF

Monthly report 30 April 2023 | HEUC LN | EUR



Investment objective

The Fund aims to track as closely as possible the returns of the Bloomberg MSCI Euro Corporate SRI Carbon ESG-Weighted (EUR Unhedged) (the Index). The Fund will invest in, or gain exposure to bonds issued by corporates which make up the Index. The Fund qualifies under Article 8 of SFDR.



Investment strategy

The Index is a subset of the Bloomberg EURO Aggregate Corporate Index (the Parent Index), and is made up of fixed-rate, investment grade bonds issued by corporate issuers. The Index seeks to achieve a reduction in carbon emissions and an improvement of the MSCI ESG rating. The Index identifies securities based on sustainability exclusionary criteria include: issuers involved in business activities, such as, alcohol, gambling, civilian firearms, fossil fuels, controversial weapons, and revenue from thermal coal. Each company in the Index is assigned an ESG rating, and weights are capped at 2%. The Fund will be passively managed and will aim to invest in the shares of the companies in generally the same proportion as in the Index. There may be circumstances when it is not possible for the Fund to invest in all constituents of the Index. The Fund may invest up to 10% in funds and up to 10% in total return swaps. See the Prospectus for a full description of the investment objectives and derivative usage.



Main risks

- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is typically greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless.
- To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").

Share class details

Key metrics

| | |
|---------------------|------------------|
| NAV per share | EUR 10.05 |
| Performance 1 month | 0.70% |
| Yield to maturity | 3.97% |

Fund facts

| | |
|---------------------------|--|
| UCITS V compliant | Yes |
| Dividend treatment | Accumulating |
| Dealing frequency | Daily |
| Fund base currency | EUR |
| Currency Hedged | Not Hedged |
| Valuation time | 23:00 Ireland |
| Share class base currency | EUR |
| Domicile | Ireland |
| Inception date | 16 November 2021 |
| Fund size | EUR 14,448,634 |
| Reference benchmark | 100% Bloomberg MSCI Euro Corporate SRI Carbon ESG-Weighted (EUR Unhedged) |

| | |
|----------|---|
| Managers | HSBC Index and Systematic Equity Portfolio Management Team |
|----------|---|

Fees and expenses

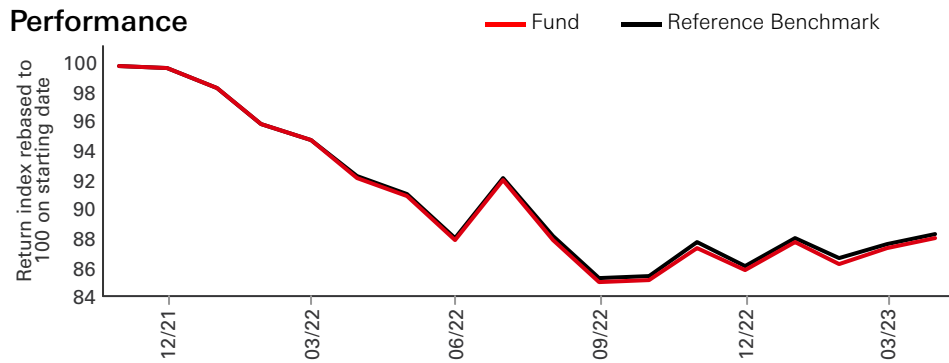
| | |
|------------------------------------|---------------|
| Ongoing charge figure ¹ | 0.180% |
|------------------------------------|---------------|

Codes

| | |
|------------------|---------------------|
| ISIN | IE00BKY81B71 |
| Bloomberg ticker | HEUC LN |

¹Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

Performance



| Performance (%) | YTD | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | Since inception ann |
|---------------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|---------------------|
| Fund | 2.48 | 0.70 | 0.29 | 3.27 | -4.46 | -- | -- | -8.47 |
| Reference Benchmark | 2.44 | 0.72 | 0.23 | 3.35 | -4.28 | -- | -- | -8.27 |

| Calendar year performance (%) | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------|------|------|------|------|---------------|
| Fund | -- | -- | -- | -- | -13.78 |
| Reference Benchmark | -- | -- | -- | -- | -13.47 |

| Carbon footprint | Fund | Reference benchmark | MSCI ESG Score | ESG score | E | S | G |
|---|-------|---------------------|---------------------|-----------|-----|-----|-----|
| Carbon intensity emissions | 55.40 | 112.05 | Fund | 7.8 | 7.9 | 5.4 | 6.0 |
| Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million) Source of analytics: Trucost | | | Reference benchmark | 7.4 | 7.5 | 5.2 | 5.8 |

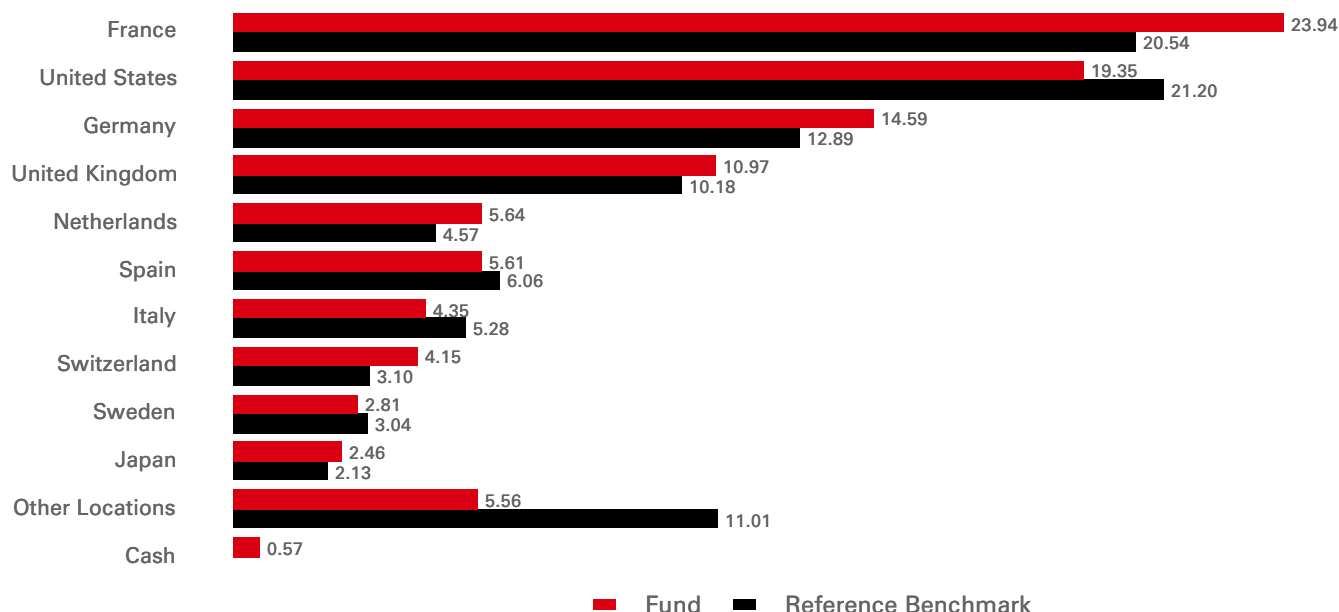
| 3-Year Risk Measures | Fund | Reference Benchmark | 5-Year Risk Measures | Fund | Reference Benchmark |
|----------------------|------|---------------------|----------------------|------|---------------------|
| Volatility | -- | -- | Volatility | -- | -- |
| Sharpe ratio | -- | -- | Sharpe ratio | -- | -- |
| Tracking error | -- | -- | Tracking error | -- | -- |
| Information ratio | -- | -- | Information ratio | -- | -- |

| Fixed Income Characteristics | Fund | Reference Benchmark | Relative |
|---------------------------------|---------|---------------------|----------|
| No. of holdings ex cash | 158 | 2,625 | -- |
| Average coupon rate | 1.46 | 1.82 | -0.36 |
| Yield to worst | 3.93% | 3.99% | -0.06% |
| Option adjusted duration | 4.61 | 4.61 | 0.01 |
| Modified duration to worst | 4.54 | 4.54 | 0.00 |
| Option adjusted spread duration | 4.93 | 4.80 | 0.13 |
| Average maturity | 5.09 | 5.08 | 0.00 |
| Rating average | A-/BBB+ | A-/BBB+ | -- |

| Credit rating (%) | Fund | Reference Benchmark | Relative | Maturity Breakdown (Option adjusted duration) | Fund | Reference Benchmark | Relative |
|-------------------|-------|---------------------|----------|---|-------------|---------------------|-------------|
| AAA | -- | 0.38 | -0.38 | 0-2 years | 0.25 | 0.22 | 0.02 |
| AA | 6.08 | 7.53 | -1.45 | 2-5 years | 1.45 | 1.44 | 0.01 |
| A | 41.36 | 41.00 | 0.37 | 5-10 years | 2.27 | 2.22 | 0.05 |
| BBB | 51.98 | 51.10 | 0.88 | 10+ years | 0.65 | 0.72 | -0.08 |
| Cash | 0.57 | -- | 0.57 | Total | 4.61 | 4.61 | 0.01 |

| Currency Allocation (%) | Fund | Reference Benchmark | Relative |
|-------------------------|--------|---------------------|----------|
| EUR | 100.00 | 100.00 | 0.00 |
| USD | 0.00 | -- | 0.00 |

Geographical allocation (%)



| Sector allocation (%) | Fund | Reference Benchmark | Relative |
|-----------------------|-------|---------------------|----------|
| Banking | 33.31 | 33.70 | -0.39 |
| Consumer Non cyclical | 15.23 | 15.47 | -0.24 |
| Communications | 9.27 | 9.31 | -0.03 |
| Consumer Cyclical | 7.68 | 7.71 | -0.03 |
| Capital Goods | 5.27 | 5.29 | -0.02 |
| Electric | 4.71 | 4.93 | -0.21 |
| Transportation | 4.36 | 4.27 | 0.09 |
| Technology | 3.77 | 3.54 | 0.23 |
| Insurance | 3.73 | 4.09 | -0.36 |
| Financial Other | 2.88 | 2.64 | 0.24 |
| Other Sectors | 9.19 | 9.05 | 0.15 |
| Cash | 0.57 | -- | 0.57 |

| Top 10 holdings | Weight (%) |
|---------------------------------|------------|
| BANQ FED CRD MUT 0.750 08/06/26 | 1.27 |
| BNP PARIBAS 0.250 13/04/27 | 1.23 |
| VONOVIA SE 0.000 01/12/25 | 1.23 |
| UBS GROUP 0.250 24/02/28 | 1.13 |
| VINCI SA 0.500 09/01/32 | 1.09 |
| DAIMLER INTL FIN 2.625 07/04/25 | 1.03 |
| SSE PLC 2.875 01/08/29 | 1.01 |
| VODAFONE GROUP 1.625 24/11/30 | 0.91 |
| SVENSKA HNDLSBKN 0.050 06/09/28 | 0.86 |
| MEDTRONIC GLOBAL 0.750 15/10/32 | 0.82 |

| Exchange name | Listing date | Trading currency | Trading hours | Bloomberg ticker | Reuters RIC | iNAV Bloomberg | iNAV Reuters |
|--------------------------------|--------------|------------------|---------------|------------------|-------------|----------------|----------------------|
| LONDON STOCK EXCHANGE | 17 Nov 2021 | GBP | -- | HEUC LN | HEUC.L | HEUCGBIV | HEUCGBiv.P |
| DEUTSCHE BOERSE AG-XETRA | 09 Dec 2021 | EUR | 09:00 - 17:30 | HEUC GY | HEUC.DE | HEUEUXIV | HEUCEURINAV =SOLA |
| SIX SWISS EXCHANGE | 23 Dec 2021 | EUR | 09:00 - 17:30 | HEUC SW | HEUC.S | HEUEUXIV | HEUCEURINAV =SOLA |
| NYSE Euronext - Euronext Paris | 07 Dec 2021 | EUR | 09:00 - 17:30 | HEUC FP | HEUC.PA | HEUEUXIV | HEUCEURINAV =SOLA |
| LONDON STOCK EXCHANGE | 17 Nov 2021 | GBP | 08:00 - 16:30 | HEUC LN | HEUC.L | HEUGBPIV | HEUCGBPNAV =SOLA |
| BORSA ITALIANA SPA | 18 Jan 2022 | EUR | 09:00 - 17:35 | HEUC IM | HEUC.MI | HEUEUXIV | HEUCEURINAV =SOLA |

Risk disclosures

- Derivatives may be used by the Fund, and these can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

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Source: HSBC Asset Management, data as at 30 April 2023

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